



← DOMESTIC

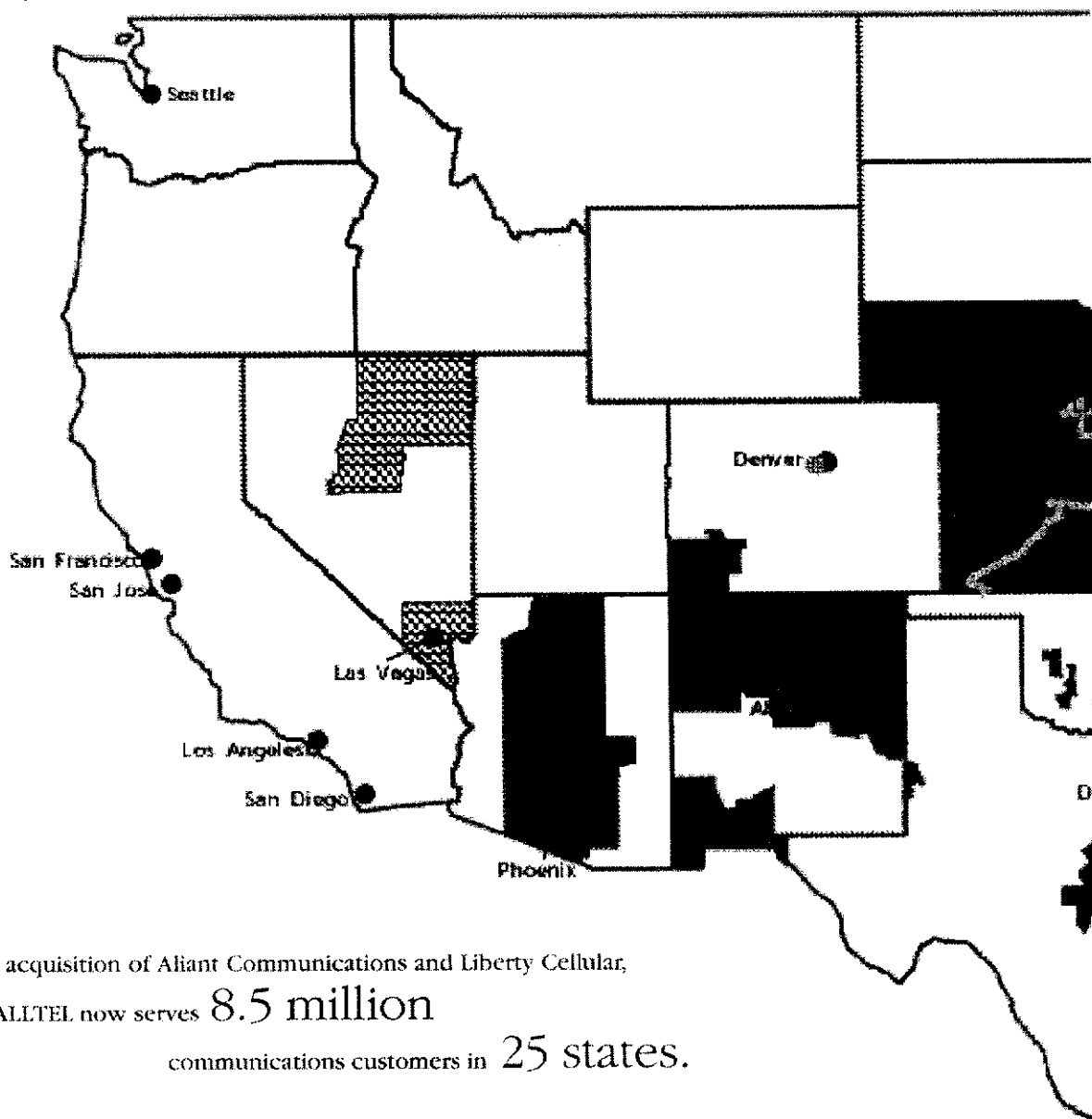
INTERNATIONAL →

After another year of strategic acquisition and growth, ALLTEL now serves 8.5 million communications customers in 25 states and provides information services to the telecommunications and financial services industries in 55 countries around the world.

For an overview of our domestic communications coverage, please open the flap. For an overview of our international presence, please turn to the next page.



Our wireless penetration in the markets we serve is  
nearly 13 percent — among the highest in the industry.

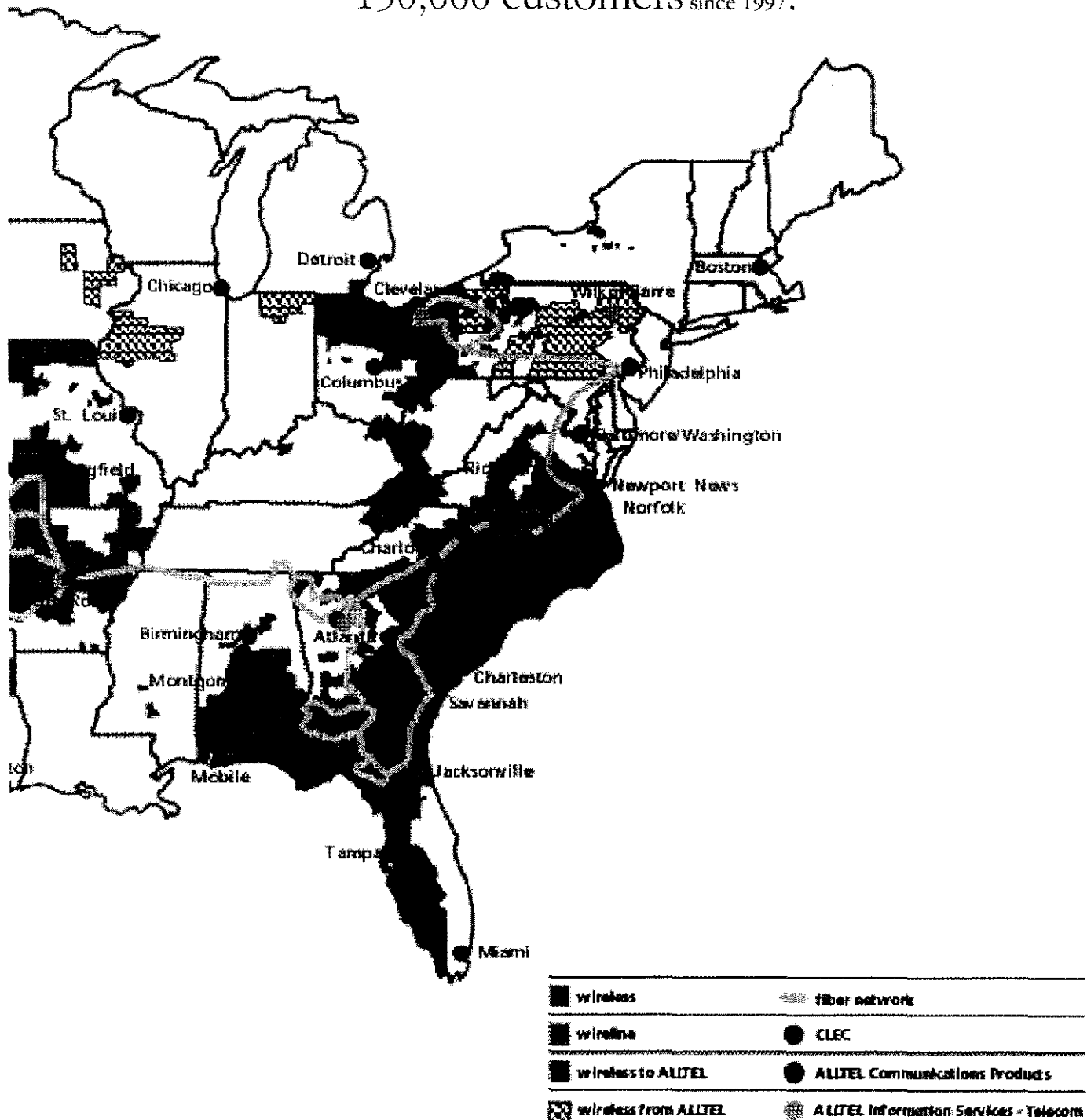


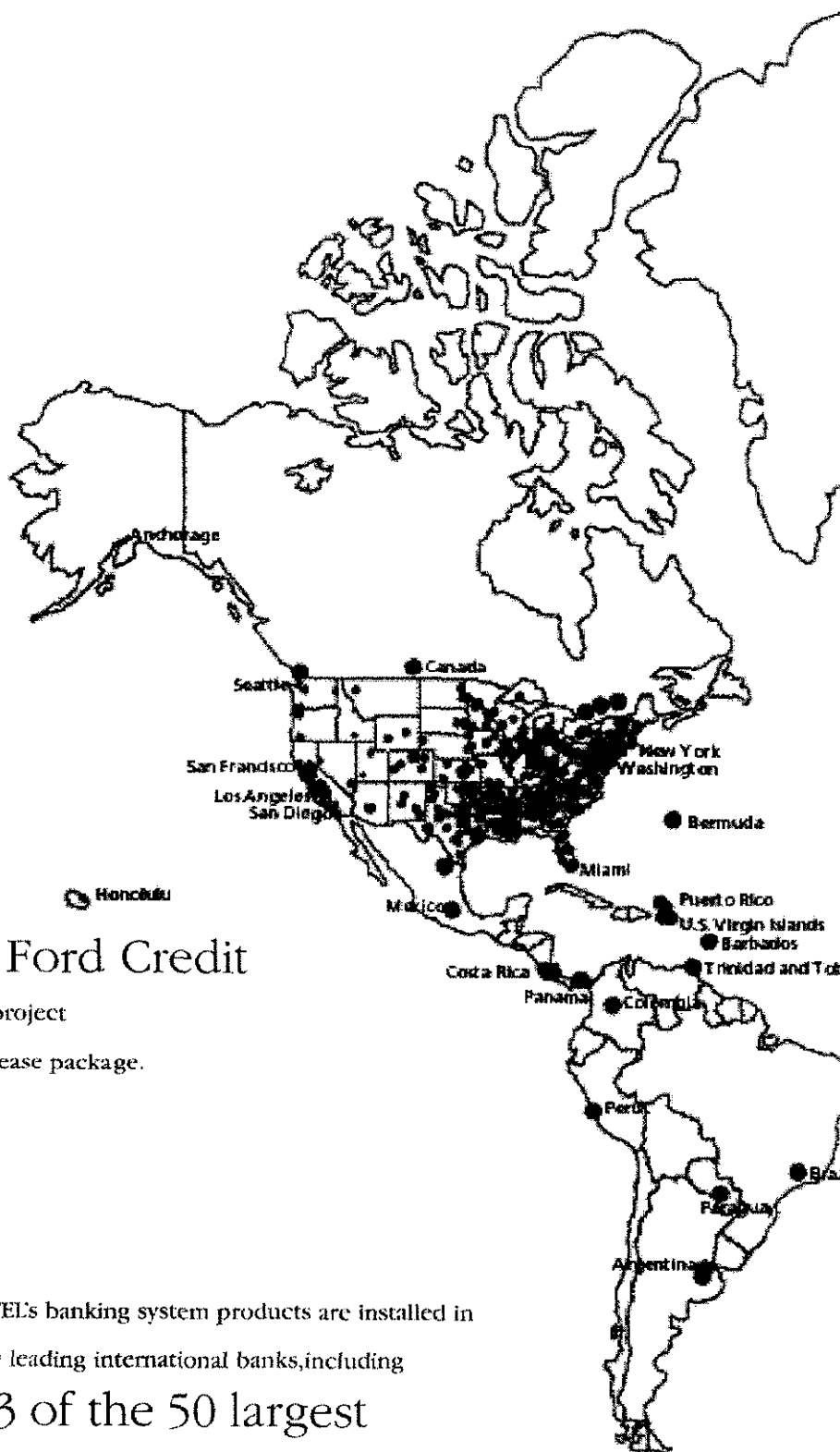
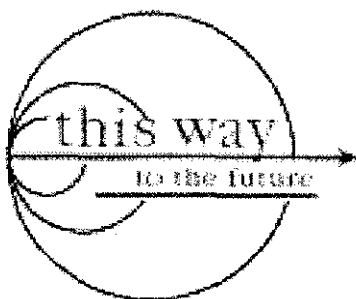
With the acquisition of Alant Communications and Liberty Cellular,  
ALLTEL now serves **8.5 million**  
communications customers in **25 states.**

Through expansion and acquisition in 1999, ALLTEL's fiber optic network  
grew from 8,500 miles to **15,000 miles,**  
providing better service at lower costs from Nebraska to Florida.

Since 1996, our long-distance customer base  
has grown from zero to 900,000.

Our Internet business has grown to  
150,000 customers since 1997.





In 1999, ALLTEL and Ford Credit  
completed the first stage of a joint project  
to create a model loan-and-lease package.

ALLTEL's banking system products are installed in  
more than 30 leading international banks, including  
**23 of the 50 largest**  
institutions in the world.



- ALLTEL Information Services office & staff
- client site

# growing with customers

ALLTEL people are not just vendors —  
they are also neighbors, friends or  
even co-workers based at a customer's  
office. That's why no one knows their  
markets like ALLTEL — because no  
one is closer to their customers.



# ALLTEL success through customer success

For both of ALLTEL's largest business units, a record-breaking 1999 showed once again that by combining an intimate knowledge of our chosen markets with continual advances in the reach, functionality and integration of our products and services, we can deliver outstanding value to customers, stockholders and employees alike.

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**ALLTEL COMMUNICATIONS** For business and residential customers in ALLTEL's new CLEC service areas, our offer could hardly have been clearer.

On the one hand, they could continue sourcing services from multiple suppliers, with multiple points of contact and multiple monthly bills. Or, on the other, they could source everything from a trusted local name, make meaningful cost savings and deal with their supplier via a single bill and a single point of local contact.

Judging by the response — from 20,000 access line organizations such as the State of Arkansas right down to individual consumers — it was an offer that customers were more than ready to embrace.

**THE POWER TO SIMPLIFY** The simplicity, convenience and value of service bundling were not limited to our CLEC customers. In early 1999, we were offering targeted, competitively priced packages in every one of our major markets, and, by year-end, more than 90 percent of those markets were ready to provide the combined services on a single bill. To date, 20 percent of the households we serve have purchased more than one ALLTEL service, and the trend is accelerating as we leverage our relationship with existing wireless

customers and those acquired through recent mergers, including Aliant Communications and Liberty Cellular. Our wireless customers have also benefited from the significant growth in service coverage resulting from recent merger and acquisition activity. With our Southern Advantage service, for example, a flat monthly fee buys 300 minutes of toll-free and roaming-free minutes in a local calling area covering seven states. Add to this the advantages of new services such as Digital Advisor, an e-mail and numeric and text paging capability for digital wireless phones, and it is easy to see why ALLTEL's wireless penetration rate is among the highest in the industry.

**ALL COMPETITION IS LOCAL** True to ALLTEL's regionally focused approach, we continue to provide many of our markets with more service personnel than any other competitor; in many cases, more than all other competitors combined. Far from being "overhead," this level of visibility has proven to be our strongest card when it comes to expanding our customer relationships into new areas such as long-distance and Internet. Our CLEC successes confirm the ongoing strength of ALLTEL's relationship-based strategy, and as we offer our bundled services to new, carefully targeted markets, it is clearer than ever that 1999 was only the first taste of what we will achieve.

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**ALLTEL INFORMATION SERVICES** Behind most ALLTEL success stories lies the expertise of our Information Services business, one of the largest and most experienced information technology groups in the industry. In addition to serving financial institutions and telecommunications providers around the world, ALLTEL Information Services was instrumental in helping the entire Company achieve Year 2000 compliance for all critical internal computer systems, infrastructure and software systems. ALLTEL's commitment to continuing quality service was maintained with no significant Y2K issues.

**WORKING IN PARTNERSHIP** In 1999, ALLTEL's Telecommunication Services division helped drive the Company's communications strategy by converting nearly one million ALLTEL accounts to its Virtuoso II customer care and billing system. Using this system, the Company streamlined business processes by moving toward a single wireless billing system, reduced duplicative investments in multiple platforms, and improved training and customer service effectiveness with a simpler, more powerful user interface. In addition to supporting ALLTEL's own operations, Telecommunication Services developed an electronic bill presentment, payment and on-line catalog solution for another

wireless provider and managed worldwide data center outsourcing of mission critical systems for one of the world's largest consulting firms.

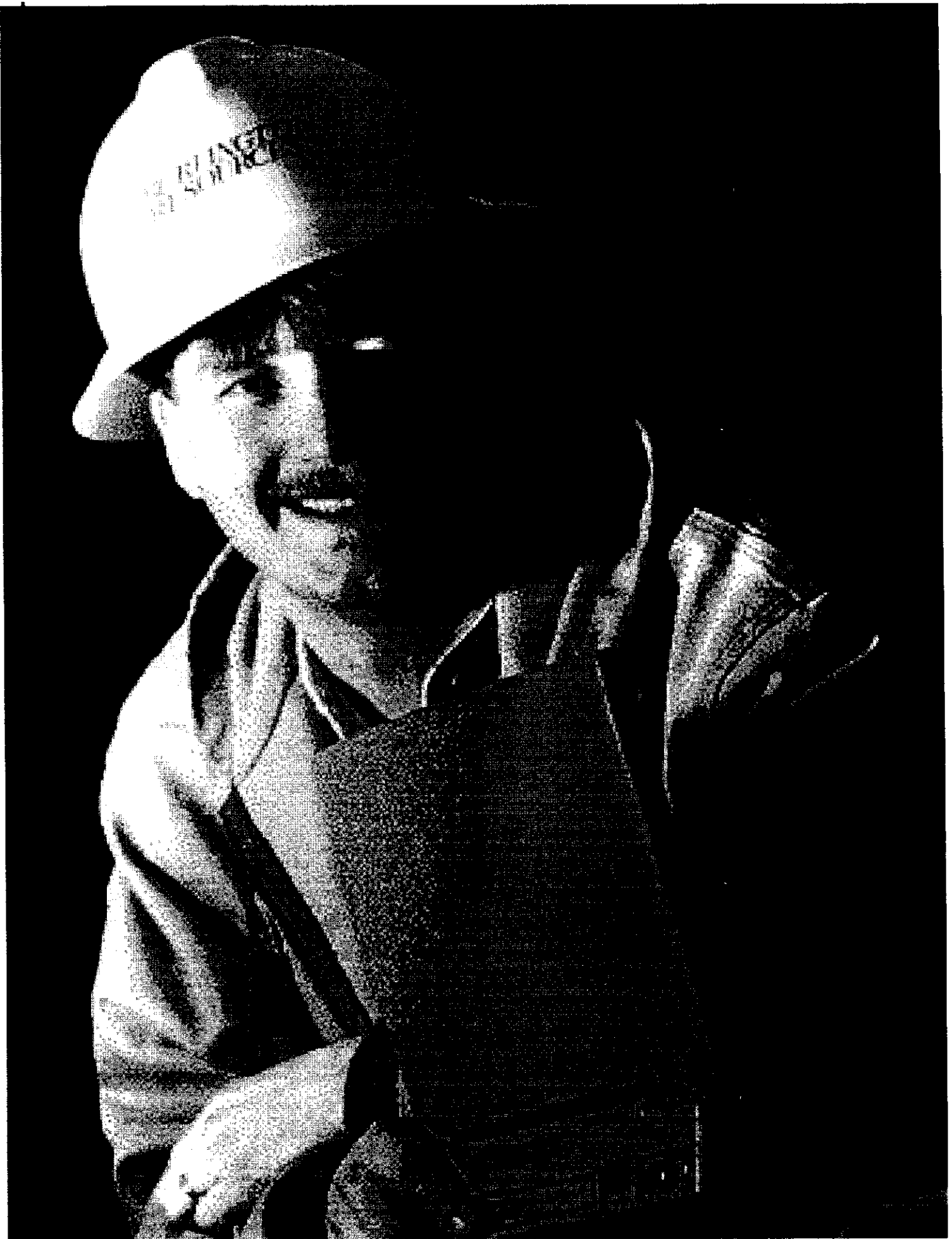
**A GLOBAL LENDING STRATEGY** Among ALLTEL's Financial Services clients, banks and other institutions slowed their upgrade and service enhancement programs to concentrate on millennium-related issues. Thanks to Information Services' flexible cost structure, the slow-down did not materially affect growth or profitability, nor did it prevent the Financial Services division from passing major milestones in its drive to become the world leader in automated lending solutions.


The acquisition of Corporate Solutions International allows ALLTEL to offer a world-class consumer loan origination product that will help us achieve our goal of delivering true end-to-end solutions covering all channels from branch sales to the Internet. With the purchase of Advanced Information Resources, we complemented our strong consumer lending offering with market-leading commercial lending software. And, with other acquisitions such as ACE Software Sciences, we confirmed our position as the United States' No. 1 provider of mortgage software solutions.

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In a consolidating global financial marketplace, ALLTEL's strengths in systems conversion and integration are becoming more highly valued. We are playing an important support role in the merger of NationsBank and Bank of America — one of the largest in the industry's history. Overseas, we completed our largest international project to date, integrating and updating the retail and core account systems for Australia's Colonial State Bank.

**LEVERAGING OUR EXPERTISE** 1999 also saw ALLTEL continue its expansion into other areas of the Financial Services industry. With our acquisition of Southern Data Systems, we offer a fully integrated front- and back-office solution to the nation's 10,000 community banks. As we completed the first phase of the global project to build a common receivables system managing lease and loan assets with Ford Credit, we firmly established our credentials in the credit finance market outside the traditional banking arena.



  
Burlington Resources Case Study

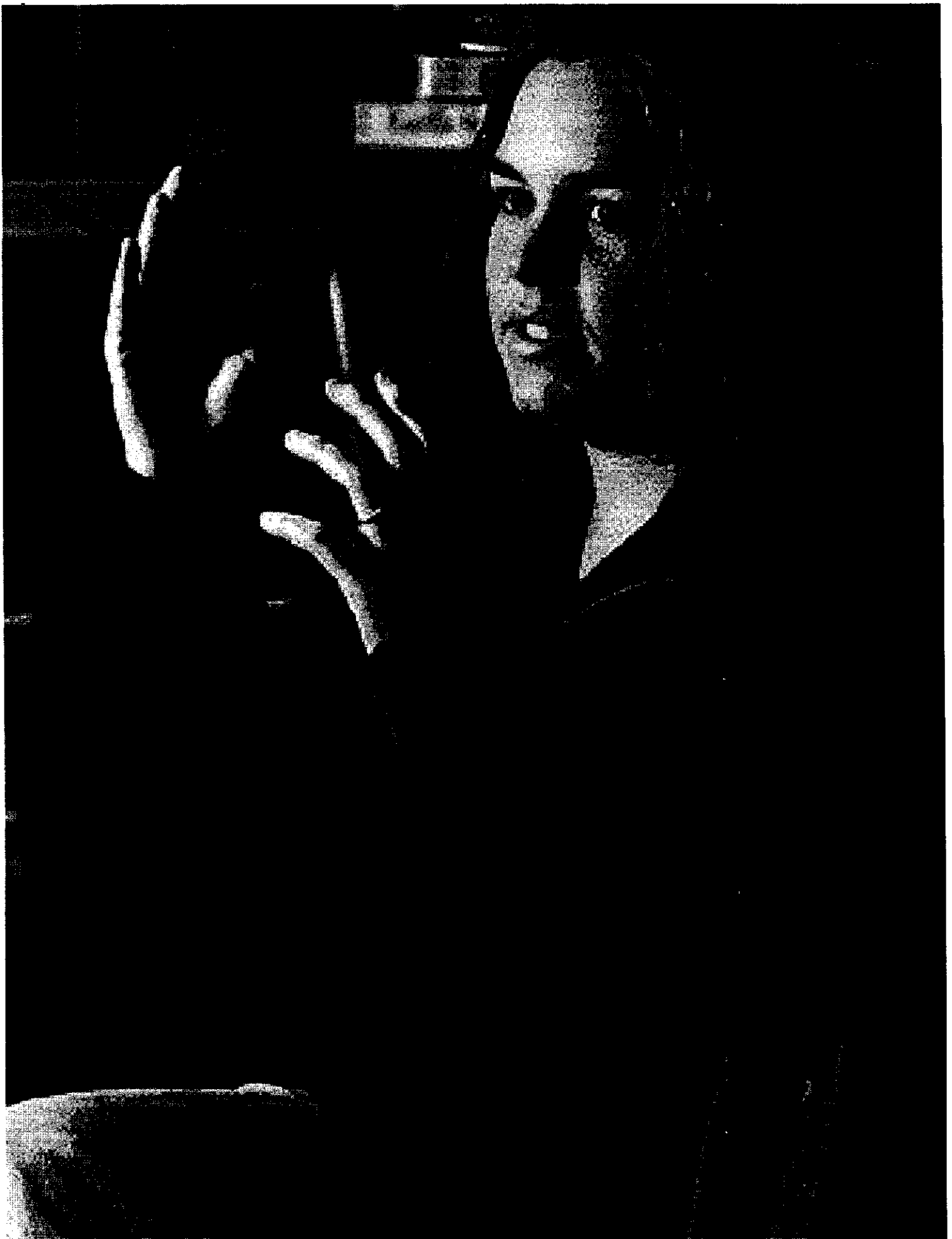
# taking the pressure

When your workplace is five counties wide and your job is to monitor thousands of high-pressure well heads and compressor sites, what you need above all else are reliable lines of communication and a support team that is always available.

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According to Jason O'ferman, information systems and technology analyst for Burlington Resources in Farmington, N. M., ALLTEL scores high on both counts. For 800 of the most remote sites across America's second largest on-shore natural gas reserve, ALLTEL provides wireless data technology that automatically relays supply pressures, fluid levels and other vital information to local field crews and the corporate office in Houston. The same technology allows Jason and his team to view any monitored site in real time from a remote laptop computer and send status reports from the middle of the desert to any computer on the Burlington network in just a few seconds.

With voice contact for field personnel also provided by ALLTEL wireless services, Burlington has a lot riding on one company's ability to deliver — but for Jason, it means just one less thing to worry about. "What sells it for me is the support ALLTEL provides," he says. "In addition to quality service, they have qualified people who know the business, they help keep us abreast of developing technologies, and they're always just a phone call away."



Clarion University Case Study

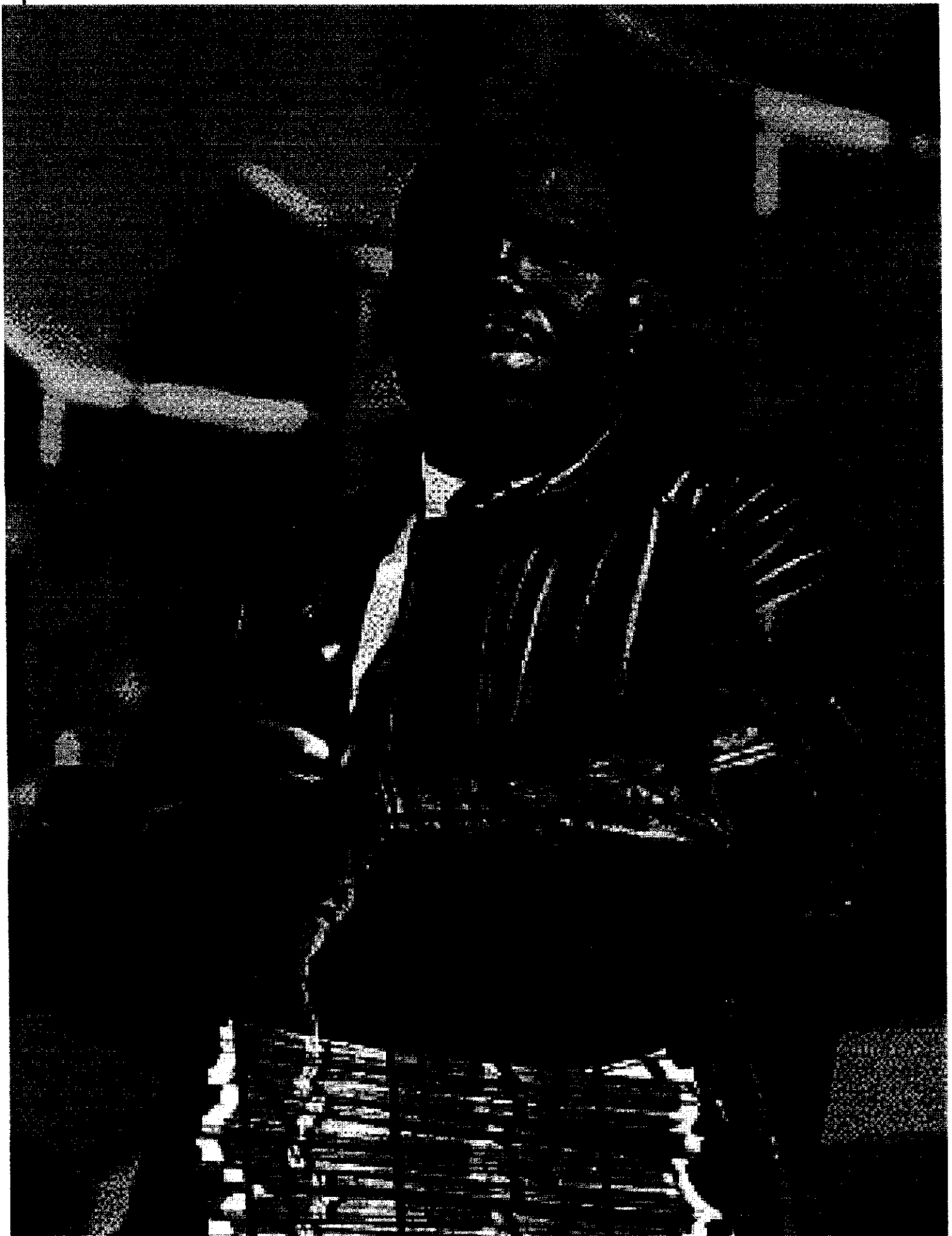
# a meeting of minds

The logic was impeccable: in return for building Clarion University of Pennsylvania a new voice and data network, ALLTEL would earn the right to provide local and long-distance communications for the campus and associated sites. But it took creative thinking to turn theory into practice.

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A flash of inspiration solved problem number one: ALLTEL was not the Incumbent Local Exchange Carrier. Although the Company provided wireless service in the area, its closest wireline property was in nearby Strattanville, Pa., one of many rural communities served by ALLTEL's 15,000 mile fiber optic network. The solution was to extend that network by another four miles, become a CLEC for the University and position ALLTEL to serve the entire town of Clarion.

After the inspiration, the perspiration: high-speed Ethernet connections for a thousand residence rooms, complete with third-party LAN Internet and a rooftop satellite installation for cable television services, all delivered in less than three months and all supported by an on-campus Technology Services Center and 24-hour help desk. For the University it has meant an explosion in Internet use, including Web-based course components. "Now I get to do my research at midnight," reports student Jill Rhinehart. "It's definitely nice to have!" For ALLTEL, it has meant not only a 10-year contract with a major new client but also a potential long-term revenue stream through bundled service delivery to the local community.



Anthony King Case Study

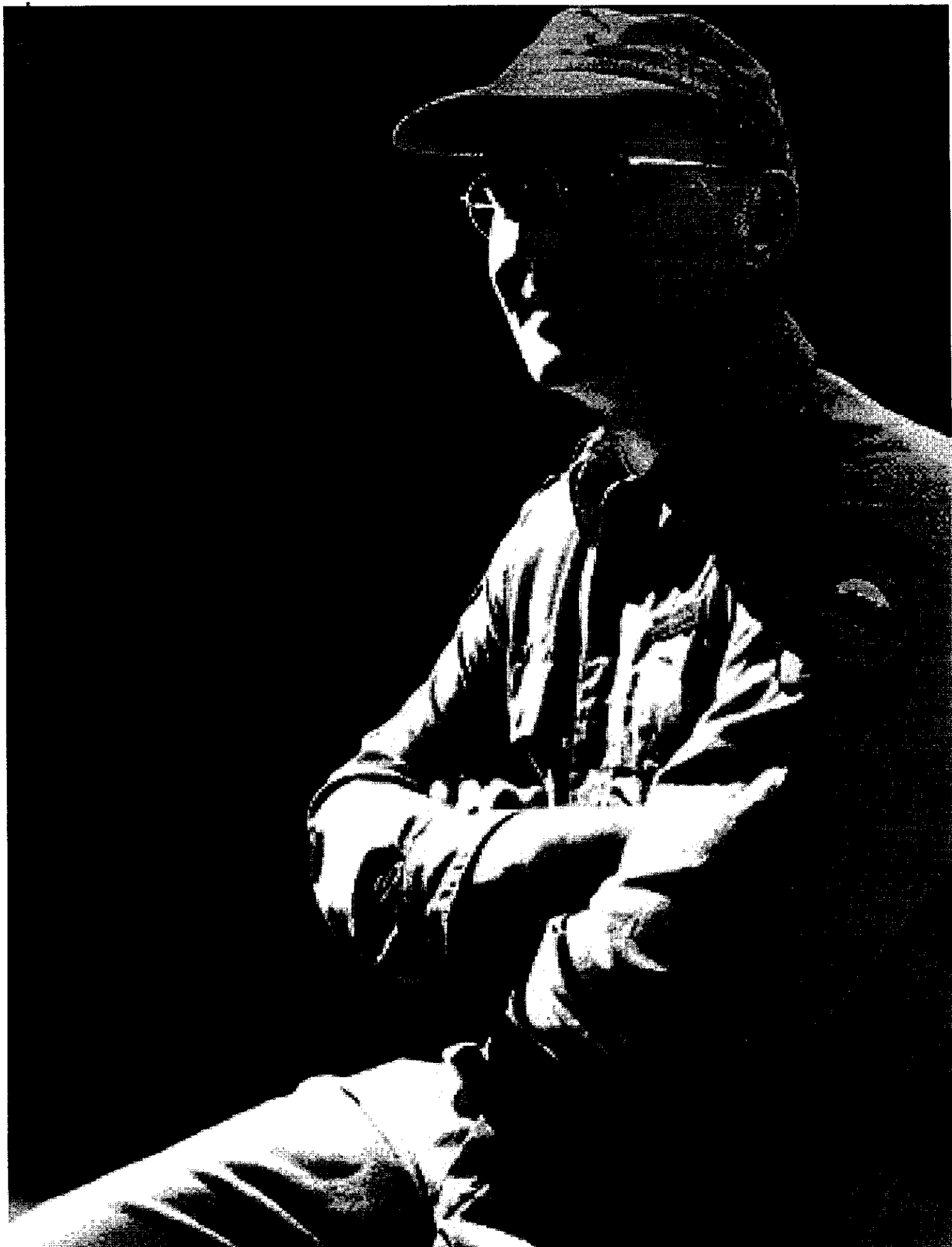
# going mobile

If the residents of Mobile, Ala., want to know what is going on in town, they reach for Anthony King's arts and entertainment magazine, *The Urban Connection*. If Anthony King wants to know what is going on, he reaches for his ALLTEL mobile phone.

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A former Army officer and chemical engineer, Anthony understands the importance of good lines of communication — and the more he juggles his many roles of businessman, chamber of commerce ambassador and local community leader, the more he realizes that signing up for ALLTEL's bundled service package was one of the best decisions he ever made. "I use my phone more than anyone," he says, "and having all the bills come in as one is wonderful. The less time I spend reviewing bills, the more time I have to go out and make money."

Having been in the communications business himself, Anthony was familiar with ALLTEL and knew the company would come in and do a good job. As a result, he was one of ALLTEL's very first customers in Mobile, signing up for long-distance, wireless, paging and Internet after a chance meeting with a salesperson, even before the new office was officially open for business. "I felt their aggressive approach would help with my bottom line," he says. "And, ALLTEL people are wonderful with customer service."



Smithgall Woods Case Study

# call of the wild

"Technology should be invisible until it's needed," says John Erbele, general manager of Smithgall Woods Conservation Center, "and so should the company who provides it." And he should know, since he makes his living helping people escape the machines and machinations of the modern world.

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High in the north Georgia mountains, 5,555 acres of virgin forest and unspoiled trout streams at Smithgall Woods provide the perfect antidote to the day-to-day pressures of the office. Thanks to ALLTEL's careful cable routing in hand-excavated trenches, you would never guess that every timber-built luxury cabin boasts a pair of data lines and a phone in every room. Or that digital Centrex service is available to anyone who needs to keep in touch. "ALLTEL demonstrated a sensitivity for the wilderness," says John. "That's something you don't expect from a high-tech company."

Because Smithgall Woods is owned by the State of Georgia, the ALLTEL relationship is a mix of a statewide contract for communications services and equipment and direct contact with the local team. To ensure that both the customer and ALLTEL get the best from every deal, account representatives and field technicians work closely together — and to John, it feels like one organization. "Even when ALLTEL was acquiring our previous supplier," he says, "I always knew who to call. It's nice to have people like that to deal with."



Harris Bank Case Study

# one call is all

From branch transactions to Internet access, there are a dozen different ways of doing business with a bank — and mostly, customers like it that way. But multiple points of contact can make it difficult to build a real relationship between the individual and the institution.

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Not at Harris Bank. With ALLTEL's help, this Chicago-based bank — the 38th largest in America — has done more than most to integrate its key contact points, or "channels," into a single, seamless operation. Customers can meet with a branch salesperson, talk with a call center agent or dial up an Internet connection, and the results of each transaction will be stored in a shared customer contact record. "That means consumers can get what they want in subsequent calls with no unnecessary questions, repetition or lengthy referrals to other parts of the business," explains Chuck Tonge, Harris executive vice president-community banking. "And it means that when the bank comes to sell new products or services, we can review our entire relationship with each customer and cost-effectively personalize our offer according to his or her individual financial needs."

Harris Bank Executive Vice President Randall Teteak agrees, "Integrated delivery allows our bank to have a single view of the customer — and while many institutions talk about a single view, with ALLTEL we have it."

# strong performance

With strong contributions from our  
communications and information  
services operating units, ALLTEL's  
strategic accomplishments were  
reflected in 1999 by record-breaking  
financial results.